

Message Text

LIMITED OFFICIAL USE

PAGE 01 MTN GE 10020 01 OF 02 171751Z
ACTION STR-04

INFO OCT-01 ARA-06 EUR-12 EA-07 NEA-10 IO-13 ISO-00 STRE-00
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03
H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
AID-05 CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01
SP-02 FEAE-00 OMB-01 /122 W
----- 047166 /55

P R 171643Z DEC 76
FM USDEL MTN GENEVA
TO SECSTATE WASHDC PRIORITY 2140
INFO AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CAIRO
ALL EC CAPS 153
AMEMBASSY MEXICO CITY
AMEMBASSY NEW DELHI
AMEMBASSY OTTAWA
USMISSION OECD PARIS
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
USMISSION USUN

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 10020

ACTION STR

H PASS CODEL

E.O. 11652: N/A
TAGS: MTN, ETRD, GATT
SUBJ: MTN TARIFFS GROUP MEETING

1. SUMMARY. ONE-DAY TARIFFS GROUP MEETING WAS DEVOTED TO
STATEMENTS ON SPEKIAL MEASURES (S AND \$) FOR LDCS. NO ATTEMPT
WAS MADE TO ACHIEVE A CONSENSUS ON S AND D, ALTHOUGH THERE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 10020 01 OF 02 171751Z

WAS WIDE SUPPORT FOR SEVERAL S AND D MEASURES. DCS STATED
THAT THEY WOULD NEITHER BIND GSP RATES OR MARGINS OF
PREFERENCES, NOR WOULD THEY COMPENSATE FOR EROSION OF GSP
PREFERENCES, BUT U.S. WAS ONLY DC TO OPPOSE EXCEPTIONS
FROM TARIFF FORMULA REDUCTIONS TO PRESERVE GSP MARGINS
OF PREFERENCE. LDCS WERE SUBDUED IN RESPONDING TO DC

INTERVENTIONS, EXPRESSING GENERAL SATISFACTION WITH THE GROWING NUMBER OF MEASURES ON WHICH THERE SEEMED TO BE CONSENSUS. CHAIRMAN'S SUMMING-UP STATES THERE WAS CONSENSUS THAT AGREEMENT ON SPECIAL MEASURES AND SPECIAL PROCEDURES BE REACHED NO LATER THAN AGREEMENT ON THE TARIFF CUTTING FORMULA. NEXT MEETING OF GROUP WILL BE HELD IN MARCH 1977. END SUMMARY.

2. AT TARIFFS GROUP MEETING DEC 15, DCS, WITH THE EXCEPTION OF AUSTRALIA AND NEW ZEALAND, MADE RELATIVELY LENGTHY STATEMENTS EXPRESSING THEIR VIEWS ON MANY OF THE SPECIAL MEASURES MOST FREQUENTLY MENTIONED BY LDCS FOR APPLICATION IN THE TARIFFS AREA. U.S. (MCNAMARA) AND OTHER DCS REMINDED LDCS THAT MOST IMPORTANT ELEMENT OF DIFFERENTIAL TREATMENT WAS ALREADY AGREED, THAT IS, LDCS WERE NOT BEING ASKED TO APPLY THE TARIFF CUTTING FORMULA TO THEIR OWN TARIFFS. SWITZERLAND (DUNKEL), EC (DUGIMMNT) AND JAPAN (UKAWA) EMPHASIZED NEED FOR CONTRIBUTIONS BY LDCS (IN TARIFF OR OTHER AREAS). EC STATED THEY WOULD CONSIDER BINDING OF CURRENTLY APPLIED LDC RATES, REDUCED RATES OR CEILING BINDINGS AS CONCESSIONS IF UNDERTAKEN BY LDCS, AND SWISS THOUGHT THAT LONGER STAGING OF LDC CONCESSIONS COULD ENABLE LDCS TO MAKE MEANINGFUL CONTRIBUTION.

3. ALL DCS EXPRESSED SOME SUPPORT OF S AND D MEASURES THAT WOULD SPEED UP OR INCREASE MFN LIBERALIZATION ON SELECTED PRODUCTS OF LDC INTEREST; ALL REJECTED LDC REQUEST THAT GSP RATES OR PREFERENCE MARGINS BE BOUND ALTHOUGH CANADA DID NOT COMPLETELY CLOSE THE DOOR. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 10020 01 OF 02 171751Z

DCS ALSO STATED UNWILLINGNESS TO COMPENSATE LDCS FOR EROSION OF PREFERENTIAL MARGINS. U.S. WAS ONLY DC THAT STATED IT DID NOT FAVOR NONLIBERALIZING MEASURES SUCH AS EXCEPTING PRODUCTS FROM FORMULA REDUCTIONS OR MAKING LESS THAN FORMULA CUTS REQUESTED BY LDCS TO PRESERVE GSP MARGINS, BUT CANADA, EC AND JAPAN IN DIFFERENT WAYS MADE IT KNOWN THAT WHILE THEY WERE WILLING TO CONSIDER NONLIBERALIZING MEASURES, THEY DID NOT FORESEE USING SUCH MEASURES LIBERALLY. DCS, WITH EXCEPTION OF U.S., GENERALLY LISTED MAINTENANCE AND IMPROVEMENT OF GSP UNDER THE RUBRIC OF SPECIAL MEASURES WHICH THEY COULD APPLY. ON GSP, THEY SPOKE IN TERMS OF ACTIONS THAT WOULD BE MADE UNILATERALLY AND IN THE NORMAL COURSE OF THEIR IMPROVEMENT OF GSP. THE EC STATED THAT IT WOULD NOT NEGOTIATE IMPROVEMENT IN GSP RATES/CEILINGS, ETC., ON A PRODUCT-BY-PRODUCT BASIS. NEW ZEALAND STATED IT WAS STILL STUDYING QUESTION BUT HAD DOUBTS ABOUT WHETHER IT COULD PARTICIPATE MEANINGFULLY

IN WORK OF TARIFFS GROUP. EASTERN EUROPEANS,
AUSTRALIA AND SOUTH AFRICA DID NOT SPEAK.

4. LDC RESPONSE TO DC INTERVENTIONS WAS SUBDUED AND
NONACCUSATORY. MOST TOOK POSITIVE APPROACH, EXPRESSING
PLEASURE AT THE NUMBER OF MEASURES ON WHICH A CONSENSUS
SEEMED TO BE EMERGING, AND RARELY CHALLENGING A
PARTICULAR DC FOR REJECTING CERTAIN MEASURES. DESPITE
EFFORT BY MEXICO ON FRINGES OF MEETING TO DRAW UP LIST
OF AGREED AND NOT YET AGREED MEASURES, THEY DID NOT PUSH
FOR DECISION ON MEASURES AT THIS MEETING AND STATED
WILLINGNESS TO SPEND INTERIM BETWEEN THIS MEETING AND
NEXT CONSULTING BILATERALLY OR PLURILATERALLY ON
MEASURES.

5. DETAILED DC RESPONSES:

A. DEEPER-THAN-FORMULA CUTS. ALL DCS WHO SPOKE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MTN GE 10020 01 OF 02 171751Z

WERE WILLING TO "CONSIDER" REDUCING TARIFFS ON
SELECTED LDC INTEREST ITEMS BY A GREATER PERCENTAGE
THAN CALLED FOR BY THE FORMULA; U.S. NOTED CONSTRAINTS
OF ITS TARIFF CUTTING AUTHORITY.

B. ACCELERATED IMPLEMENTATION OF MFN CONCESSIONS.
NORDICS, U.S., EC AND JAPAN ALL STATED THIS WOULD BE
POSSIBLE ON AN MFN BASIS. CANADA LEFT OPEN POSSIBILITY
OF IMPLEMENTING MFN CONCESSIONS "ON A PREFERENTIAL
BASIS". ARGENTINA REQUESTED THAT ACCELERATED IMPLEMENTA-
TION BE A MEASURE UNDERTAKEN ON ALL ITEMS NOT INCLUDED
IN GSP SCHEMES.

C. TARIFF RECLASSIFICATIONS. MOST LDCS INCLUDED
THIS IN THE LIST OF MEASURES THEY DESIRE AND ALL DCS
EXCEPT JAPAN RESPONDED POSITIVELY.

D. EFFORTS TO MINIMIZE EXCEPTIONS ON PRODUCTS OF
INTEREST TO LDCS. JAPAN WAS ONLY DC WHICH DID NOT
STATE WILLINGNESS TO MAKE "BEST EFFORTS" ATTEMPT TO
KEEP LDC INTEREST ITEMS OFF THEIR EXCEPTIONS LISTS.

E. LESS-THAN-FORMULA REDUCTIONS OR EXCEPTION OF
ITEMS FROM MFN CUTS. THE U.S. WAS ONLY DC WHICH WAS
NEGATIVE ON THESE MEASURES. CANADA THOUGHT THAT SEEKING
PARTIAL CUTS OR EXCEPTIONS WAS ILL-ADVISED, BUT DID
NOT CLOSE POSSIBILITY THAT IT WOULD GRANT SUCH REQUESTS.
EC WAS WILLING TO CONSIDER SUCH MEASURES. NORDICS
AND SWISS DID NOT EXPRESS AN OPINION.

F. EXTENDED STAGING OF MFN REDUCTIONS. ALL DCS
STATED THAT THIS WOULD BE CONSIDERED AS A MEAS OF
SPECIAL TREATMENT. CANADIANS POINTED OUT THAT BY
REQUESTING EXTENDED STAGING, LDCS WERE APT TO OBTAIN
DEEPER CUTS ON MORE ITEMS OR KEEP THEM OFF
EXCEPTIONS LISTS. ARGENTINA STATED THAT SLOWER
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 MTN GE 10020 01 OF 02 171751Z

IMPLEMENTATION SHOULD APPLY TO ALL PRODCUTS BENEFITTING
FROM GSP.

G. TARIFF ESCALATION. THIS ITEM WAS CITED IN
SURPRISINGLY FEW LDC AND DC INTERVENTIONS. EC SAID
THAT ESCALATION PROBLEMS WOULD BE SOLVED THROUGH
FORMULA CUTS AND APPLICATION OF SPECIAL MEASURES, SO
NEED NOT BE LISTED SPEARATELY.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MTN GE 10020 02 OF 02 171803Z
ACTION STR-04

INFO OCT-01 ARA-06 EUR-12 EA-07 NEA-10 IO-13 ISO-00 STRE-00
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03
H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
AID-05 CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01
SP-02 FEAE-00 OMB-01 /122 W
----- 047351 /55

P R 171643Z DEC 76
FM USDEL MTN GENEVA
TO SECSTATE WASHDC PRIORITY 2141
INFO AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CAIRO
ALL EC CAPS 154
AMEMBASSY MEXICO CITY
AMEMBASSY NEW DELHI
AMEMBASSY OTTAWA
USMISSION OECD PARIS
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
USMISSION USUN

LIMITED OFFICIAL USE SECTION 2 OF 2 MTN 10020

ACTION STR

H PASS CODEL

H. INCORPTATION OF A FACTOR IN THE FORMULA TO INCREASE CUTS ON PREFERENTIAL BASIS FOR LDCS ("L" FACTOR). ALL DCS SPOKE AGAINST INCORPORATION OF SUCH A FACTOR, WITH THE EXCEPTION OF EGYPT WHICH ORIGINATED THIS PROPOSAL IN 1975, LDCS QID NOT REFER TO THIS POINT IN THEIR OWN LISTING OF DESIRABLE MEASURES. EGYPT MADE INGENIOUS ARGUMENT FOR EFFICIENCY OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 10020 02 OF 02 171803Z

MEASURE, TO AVOID ITEM-BY-ITEM DC-LDC NEGOTIATIONS.

I. BINDING OF GSP OR PREFERENTIAL MARGINS AND PAYMENT FOR EROSION OF MARGINS. DCS MADE UNEQUIVOCAL STATEMENTS AGAINST THESE PROPOSED MEASURES. U.S. IGNORED QUESTION OF COMPENSATION. SEVERAL LDCS EXPRESSED UNHAPPINESS WITH DC RESPONSES BUT DID NOT PUSH ISSUE. ISRAEL SUGGESTED LDCS COULD CLAIM EROSION OF PREFERENCES AS ONE FORM OF LDC CONTRIBUTION TO NEGOTIATIONS.

J. SUBMISSION OF PRODUCT LISTS BY LDCS. BRAZIL AND INDIA STATED FLATLY THAT NO PRODUCT NOTIFICATIONS WOULD BE FORTHCOMING FROM LDCS UNTIL "THE ESSENTIAL PARAMENTERS FOR DRAWING UP SUCH LISTS WERE KNOWN," I.E., AGREEMENT IN PRINCIPLE ON SPECIAL MEASURES HAD BEEN REACHED. MANY LDCS ARGUED THAT THEY NEEDED TO KNOW SPECIFIC MEASURES EACH DC WAS WILLING TO CONSIDER BEFORE DRAWING UP REQUEST LISTS OF SPECIFIC PRODUCTS. CANADA URGED LDCS TO SUBMIT LISTS AS SOON AS POSSIBLE, SINCE THEY ALREADY HAD A GOOD INDICATION WHAT MEASURES EACH DC WAS WILLING TO APPLY. ISRAEL ALSO FAVORED EARLY NOTIFICATIONS. U.S. REMINDED GROUP OF ITS MUTUAL NOTIFICATION SUGGESTION OF LST YEAR; ARGENTINA STATED U.S. SUGGESTION HAS BEEN CATEGORICALLY REJECTED BY LDCS, BUT WAS WILLING TO CONTRIBUTE AT THE APPROPRIATE TIME.

6. OTHER AGENDA ITEMS. THERE WERE NOT INTERVENTIONS UNDER ANY OF THE OTHER TOPICS BEFORE THE GRUOUP, ALTHOUGH CANADA, IN SATEMENT ON S AND D, SAID THAT RULES ON EXCPETIONS OUGHT TO RECOGNIZE THE VALIDITY OF COMPENSATING FOR LESS-THAN-FORMULA CUTS BY GOING BEYOND

THE FORMULA ON OTHER ITEMS. UNDER THE GENERAL HEADING
OF OTHER BUSINESS, THE SECRETARIAT RAISED THE GENERALY
TOPIC OF THE DATA BASE FOR THE NEGOTIATIONS: IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 10020 02 OF 02 171803Z

THIS CASE, THE QUESTION OF CONSOLIDATED SCHEDULES OF
CONCESSIONS AT A AVAILABLE INFORMATION ON BINDINGS AND
BOUND RATE LEVELS. THE GROUP INSTRUCTED THE
SECRETARIAT TO PRODUCE A NOTE FOR THE NEXT
MEETING OUTLINING WAYS OF IMPROVING DATA BASE.

7. DATE FOR NEXT MEETING. THE GROUP AGREED TO MEET
SOMETIME IN MARCH, EXACT DATE TO BE SET BY CHAIRMAN
IN CONSULTATION WITH DELEGATIONS.

8. AS THE MAJOR PLAYERS HAD AGREED BEFORE THE
MEETING, THE CHAIRMAN'S SUMMING-UP WAS VERY GENERAL
AND DID NOT TRY TO STATE ANY CONCLUSIONS ON SPECIAL
MEASURES. IT STATES ONLY THAT THERE WERE MEASURES ON
WHICH THERE SEEMED TO BE AGREEMENT, DEPENDING ON
INDIVIDUAL COUNTRIES AND PRODUCTS IN QUESTION, WHILE
OTHER ITEMS NEEDED FURTHER CLARIFICATION OR DISCUSSION
BEFORE A DECISION COULD BE REACHED. ITS MOST
IMPORTANT POINT WAS THAT THERE WAS CONSENSUS THAT
AGREEMENT ON SPECIAL MEASURES AND PROCEDURES SHOULD
BE REACHED BY THE TIME THE TARIFF CUTTING FORMULA
WAS AGREED. CHAIRMAN'S SUMMING-UP AND U.S. STATEMENT
SENT SEPTELS. WALKER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, COMMITTEE MEETINGS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MTNGE10020
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760464-1180
From: MTN GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761233/aaaabcjl.tel
Line Count: 309
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2004 by BoyleJA>; APPROVED <03 AUG 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MTN TARIFFS GROUP MEETING
TAGS: ETRD, GATT, MTN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006